

April 27, 2015
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

**Announcement of Financial Results of
Rakuten Securities, Inc., a Consolidated Subsidiary**

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo), a consolidated subsidiary of Rakuten, Inc., today issued the attached press release relating to its non-consolidated financial reports (based on J-GAAP) for the Fiscal Year ended March 31, 2015.

In addition, the merger of Dot Commodity Inc. (President: Jin Funada. Head Office: Shibuya-ku, Tokyo), a consolidated subsidiary of Rakuten Securities, Inc., was completed on July 1, 2014, and hence from the three months ended June 30, 2014, Rakuten Securities, Inc. is disclosing non-consolidated accounts.

Rakuten Group plans to announce consolidated financial reports for the three months ended March 31, 2015, on May 8, 2015 (Friday).

In addition, Rakuten Group announces financial results based on IFRS. The attached financial results of Rakuten Securities, Inc. are based on J-GAAP, which has different accounting processes for transactions from IFRS.



April 27, 2015

Financial Reports For the Fiscal Year ended March 31, 2015

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo) non-consolidated financial reports for the fiscal year ended March 31, 2015 (J-GAAP).

The financial reports of Rakuten Securities, Inc. are based on "Uniform Accounting Standards for Securities Companies" (set by the Board of Directors of the Japan Securities Dealers Association, November 14, 1974). Commodity futures transactions are based on "Uniform Accounting Standards for Commodity Future Transactions" (set by the Board of Directors of the Commodity Futures Association of Japan, March 3, 1993).

Results for the fiscal year ended March 31, 2015

Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Fiscal year ended March 31, 2014	44,546	43,341	22,611	22,443	12,786
Fiscal year ended March 31, 2015	45,705	44,031	20,417	20,605	12,881

(1) Balance Sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
(Assets)		
Current Assets	761,675	880,700
Cash and deposits	59,538	54,427
Cash segregated as deposits	375,472	453,729
Money held in trust	800	800
Trust beneficiary rights	499	—
Trading products	9,022	14,288
Trading securities and others	546	774
Derivatives	8,476	13,513
Operating investment securities for sale and others	807	1,233
Trade date accrual	—	132
Margin transaction assets	297,752	316,260
Loans on margin transactions	290,616	298,033
Cash collateral pledged for securities borrowing on margin transactions	7,136	18,226
Loans secured by securities	0	—
Cash collateral pledged for securities borrowed	0	—
Advances paid	209	142
Cash paid for offering	2,295	5,523
Securities received as collateral	—	*1 1,164
Short-term guarantee deposits	9,633	23,517
Variation margin paid	613	3,639
Short-term loan receivables	31	54
Advance payments	55	0
Prepaid expenses	196	231
Accounts receivable - other	432	636
Accrued revenues	3,737	4,764
Deferred tax assets	673	239
Other current assets	—	5
Allowance for doubtful accounts	(97)	(91)

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Fixed Assets	13,001	16,699
Tangible fixed assets	1,320	1,310
Buildings	145	242
Furniture and fixtures	1,167	1,068
Construction in progress	8	—
Intangible fixed assets	9,809	14,086
Goodwill	898	3,025
Software	8,267	10,869
Software in progress	642	191
Investments and other assets	1,872	1,303
Investment securities	345	270
Stocks of subsidiaries and affiliates	1,019	—
Long-term loans receivable	211	183
Long-term guarantee deposits	191	755
Long-term prepaid expenses	20	23
Deferred tax assets	219	193
Others	1,137	1,040
Allowance for doubtful accounts	(1,272)	(1,163)
Total Assets	774,677	897,400

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
(Liabilities)		
Current Liabilities	718,654	827,193
Trading products	6,309	11,800
Trading securities and other	—	210
Derivatives	6,309	11,589
Trade date accrual	30	—
Margin transaction liabilities	36,003	64,908
Borrowings on margin transactions	4,367	4,460
Cash received for securities lending on margin transactions	31,635	60,447
Loans payable secured by securities	156,528	159,456
Cash received on debt credit transactions of securities	156,528	159,456
Deposits received	247,705	316,974
Guarantee deposits received	133,112	*2 166,425
Accounts for non-received securities and others	8	104
Short term loans payable	128,768	102,184
Advances received	82	216
Accrued revenues	0	—
Accounts payable - other	272	236
Accrued expenses	2,119	2,160
Income taxes payable	7,246	2,212
Provision for employees' bonuses	394	432
Provision for sales promotion expenses	69	36
Other current liabilities	—	43
Fixed Liabilities	28	168
Asset retirement obligations	28	94
Other fixed liabilities	—	73
Statutory reserves	2,993	3,868
Reserve for financial products liabilities	2,993	3,833
Reserve for liability for commodities transactions	—	35
Total Liabilities	721,676	831,230

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
(Net Assets)		
Shareholders' equity		
Capital stock	7,495	7,495
Capital surplus	4,511	4,511
Retained earnings	40,643	53,524
Total shareholders' equity	52,650	65,531
Valuation, translation, and other adjustments		
Valuation difference on available-for-sale securities	350	638
Total valuation and translation adjustments	350	638
Total Net Assets	53,000	66,169
Total Liabilities and Net Assets	774,677	897,400

Notes:

1: Securities received as collateral for commodity futures transactions (Securities deposited with a Commodity Clearing Organization as clearing margins for transactions by consignors and others).

2: Includes JPY 1,164 million securities received as substitute for clearing margins etc from consignors and others for commodity futures transactions.

(2) Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)
Operating revenue	44,546	45,705
Commission received	26,066	23,706
Commission to consignees	21,509	18,576
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0	0
Commission for offerings, secondary distribution and solicitation for selling and others for professional investors	2,215	2,178
Other commissions received	2,340	2,950
Net trading income	5,142	6,508
Net gain on trading of investment securities for sale	(1)	0
Financial revenue	12,722	14,935
Other operating revenue	616	555
Financial expenses	1,205	1,674
Net operating revenue	43,341	44,031
Selling, General, and Administrative Expenses	20,730	23,613
Trading related expenses	9,172	9,932
Personnel expenses	2,743	3,310
Real estate expenses	1,869	1,529
Office expenses	4,037	4,725
Depreciation	2,457	3,406
Taxes and dues	296	377
Goodwill amortization	40	171
Provision for allowance for doubtful accounts	18	20
Others	93	139
Operating income	22,611	20,417
Non-operating income	121	207
Non-operating expenses	289	19
Ordinary income	22,443	20,605

(Millions of yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)
Extraordinary income	–	5
Extraordinary losses	1,104	1,082
Income before income taxes and other adjustments	21,338	19,528
Income taxes - current	8,681	6,310
Income taxes - deferred	(129)	337
Total income taxes	8,552	6,647
Net income	12,786	12,881

(3) Quarterly Income Statements

(Millions of yen)

	Three months ended June 30, 2014 (April 1 – June 30, 2014)	Three months ended September 30, 2014 (July 1 - September 30, 2014)	Three months ended December 31, 2014 (October 1 - December 31, 2014)	Three months ended March 31, 2015 (January 1 - March 31, 2015)
Operating revenue	9,237	11,273	12,516	12,678
Commission received	4,871	5,921	6,531	6,382
Net trading income	1,184	1,361	1,965	1,996
Net gain on trading of investment securities for sale	—	—	—	0
Financial revenue	3,108	3,826	3,845	4,154
Other operating revenue	72	164	172	144
Financial expenses	243	491	297	642
Net operating revenue	8,994	10,782	12,218	12,035
Selling, General, and Administrative Expenses	5,239	5,816	6,416	6,140
Trading related expenses	2,045	2,395	2,768	2,722
Personnel expenses	718	837	980	773
Real estate expenses	450	394	326	357
Office expenses	1,145	1,160	1,299	1,119
Depreciation	747	866	869	923
Taxes and dues	83	87	102	104
Goodwill amortization	11	53	53	53
Provision for allowance for doubtful accounts	(21)	(6)	(10)	58
Others	58	26	26	27
Operating income	3,754	4,965	5,802	5,895
Non-operating income	7	46	109	44
Non-operating expenses	0	6	2	9

	Three months ended June 30, 2014 (April 1 – June 30, 2014)	Three months ended September 30, 2014 (July 1 - September 30, 2014)	Three months ended December 31, 2014 (October 1 - December 31, 2014)	Three months ended March 31, 2015 (January 1 - March 31, 2015)
Ordinary income	3,761	5,005	5,908	5,930
Extraordinary income	—	—	—	5
Extraordinary losses	189	472	223	197
Income before income taxes and other adjustments	3,572	4,533	5,685	5,738
Income taxes - current	906	1,231	1,868	2,304
Income taxes - deferred	531	(284)	200	(110)
Total income taxes	1,437	946	2,069	2,193
Net income	2,134	3,586	3,615	3,544